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STATE OF CALIFORNIA

DEPARTMENT OF RESOURCES RECYCLING & RECOVERY

In the matter of:

CALIFORNIA STATE UNIVERSITY/LONG
BEACH FOUNDATION, PROPERTY
OWNER and TIRE CORE
INTERNATIONAL LTD, OPERATOR

TPID NO: 1605057

RESPONDENTS.

STIPULATION FOR ISSUANCE OF
ADMINISTRATIVE DECISION FOR
WASTE TIRE STORAGE
ADMINISTRATIVE PENALTIES, PUBLIC
RESOURCES CODE SECTION 42960

AGENCY NO: 291-000059-ADA

OAH NO: 2011-100841

INTRODUCTION

The parties to this STIPULATION FOR ISSUANCE OF ADMINISTRATIVE
DECISION FOR WASTE TIRE STORAGE ADMINISTRATIVE PENALTIES (Stipulation)
are the Department of Resources Recycling and Recovery (CALRECYCLE) and
CALIFORNIA STATE UNIVERSITY/LONG BEACH FOUNDATION, PROPERTY
OWNER and TIRE CORE INTERNATIONAL LTD., OPERATOR (RESPONDENTS).
The California Integrated Waste Management Board (CIWMB) is now the Department of
Resources Recycling and Recovery (CALRECYCLE). CALRECYCLE succeeded to
CIWMB's authority on January 1, 2010, pursuant to PRC section 40401(a)(1). The
ADMINISTRATIVE COMPLAINT FOR WASTE TIRE STORAGE ADMINISTRATIVE

PENALTIES (Administrative Complaint) was served on RESPONDENTS on September 8, 2011. RESPONDENT TIRE CORE INTERNATIONAL, LTD., (RESPONDENT TIRE CORE) requested a hearing on September 16, 2011 and RESPONDENT CALIFORNIA STATE UNIVERSITY/LONG BEACH FOUNDATION (RESPONDENT CSU LONG BEACH FOUNDATION) requested a hearing on September 30, 2011. A hearing was scheduled for July 5, 2012, in Los Angeles, California.

In order to avoid the costs and uncertainties of litigation, CALRECYCLE and RESPONDENTS hereby stipulate to the following Factual Findings, Conclusions of Law, and Order:

STIPULATED FACTUAL FINDINGS

1. The Administrative Complaint was executed by Heather L. Hunt, Staff Counsel III, CALRECYCLE, acting in her official capacity.

2. CALRECYCLE has the authority to inspect, permit, regulate and conduct enforcement actions against Waste Tire Facilities (WTF) within the State of California under Public Resources Code (PRC) section 42800, et seq., and attendant regulations contained in Title 14 of the California Code of Regulations (CCR).

3. During the time between August, 2010, and June 21, 2011, RESPONDENT TIRE CORE allowed waste tires to be illegally stored at 2130 Technology Place, Long Beach, California 90810 (the site).

4. At no time between August, 2010, and June 21, 2011, was RESPONDENT TIRE CORE in possession of a Major or a Minor WTF Permit for the site.

5. On four (4) separate occasions between August 30, 2010, and January 5, 2011, Mike Edenedo, Waste Tire Grantee for the County of Los Angeles, inspected the site. During each inspection Mr. Edenedo observed at least 8,000 waste tires onsite, in violation of PRC section 42824 and 14 CCR section 18420.

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1 6. During a follow-up inspection of the site on January 19, 2011, and
2 documented in Waste Tire Survey and Inspection Report (Inspection Report) number
3 I1-1117584, Steven Dolan, Inspector for CALRECYCLE's Compliance and Enforcement
4 Division, observed 6,913 waste tires onsite, in violation of PRC section 42824 and 14
5 CCR section 18420.

6 7. On or about January, 2011, H. James Lee, Jr., Supervisor for
7 CALRECYCLE's Compliance and Enforcement Division spoke with a representative for
8 RESPONDENT TIRE CORE, Terry Leveille, and the then-general manager for
9 RESPONDENT TIRE CORE, Mr. Richards. Mr. Leveille and Mr. Richards expressed
10 concerns regarding Inspectors Edenedo and Dolan having found RESPONDENT TIRE
11 CORE in violation of California's Waste Tire Laws. Mr. Leveille and Mr. Richards
12 explained to Mr. Lee that RESPONDENT TIRE CORE's business model was to acquire
13 and sell tire casings. At that time, Mr. Lee advised Mr. Richards and Mr. Leveille that the
14 tire casings described by Mr. Richards and Mr. Leveille met the definition of a waste tire,
15 and that the site, therefore, operated as a waste tire facility that potentially required a
16 permit.

17 8. During the same discussion referenced above in paragraph 7 of this
18 Stipulation, Mr. Lee advised Mr. Richards and Mr. Leveille, that, because the site
19 operated as a WTF, RESPONDENT TIRE CORE needed to bring the waste tire count
20 down to 499 or less until a permit was issued, or bring the site into operation as a
21 collection facility, as that process is defined in 14 CCR section 17225.717. Mr. Lee
22 further advised Mr. Richards and Mr. Leveille that in order to operate as a collection
23 facility all of the waste tires on site would need to be stored in closed, road-worthy
24 containers, in accordance with 14 CCR section 17225.717.

25 9. On March 29, 2011, during an inspection of the site, and documented in
26 Inspection Report number I1-116808, Inspector Edenedo observed 3,500 waste tires, in
27 violation of PRC section 42834 and 14 CCR section 18420.

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1 10. On April 5, 2011, Inspector Dolan inspected the site for the purpose of
2 reminding and ensuring RESPONDENT TIRE CORE to maintain a waste tire count of
3 499 or less until it obtained a WTF Permit. Mr. Dolan documented in Inspection Report
4 number I1-1117534 that he observed 4,000 waste tires onsite in violation of PRC
5 section 42834 and 14 CCR section 18420. During the inspection, Mr. Dolan again
6 reminded RESPONDENT TIRE CORE that it was limited to storing only 499 or less
7 waste tires onsite until it obtained a WTF Permit.

8 11. On or about the time period from May, 2011, through June 6, 2011,
9 CALRECYCLE and RESPONDENT TIRE CORE negotiated a resolution to the issues
10 presented by the violations at the site. During that time period, multiple discussions
11 were had between Mr. Lee and Mr. Leveille regarding the positions of both
12 CALRECYCLE and RESPONDENT TIRE CORE. In the course of those negotiations,
13 RESPONDENT TIRE CORE represented that it would concede to CALRECYCLE's
14 determination that the tires onsite were waste tires, that it would be able to maintain a
15 waste tire count of 4,999 or less, and that it would ensure that that target number of
16 4,999 or less would be reached by June 6, 2011. CALRECYCLE agreed to allow
17 RESPONDENT TIRE CORE to maintain a total tire count, which included all waste and
18 used tires onsite, of 4,999 or less, provided that RESPONDENT TIRE CORE submit a
19 Minor WTF Permit Application. The resolution was memorialized in Cease And Desist
20 Order 2011-010990-CAO (CAO).

21 12. On June 10, 2011, the CAO was served on RESPONDENT TIRE CORE.
22 For all intents and purposes, the CAO operated as a Clean Up and Abatement CAO
23 pursuant to PRC section 42854. The CAO required RESPONDENT TIRE CORE,
24 pursuant to PRC section 42854, and "whereas RESPONDENT TIRE CORE [had]
25 submitted a complete application for a Minor WTF Permit, and [had] indicated that [it
26 had] reduced the number of tires on-site to 4,999 or less by June 6, 2011,"
27 RESPONDENT TIRE CORE was required to "[i]mmediately reduce the total number of
28 tires on-site to 4,999, or less by June 6, 2011, and continue to store less than 4,999

1 tires on site."

2 13. On June 21, 2011, Rob Baumann, Inspector for CALRECYCLE's
3 Enforcement and Compliance Division, conducted a follow-up inspection of the site. Mr.
4 Baumann documented in Inspection Report number I1-1166786 that he observed 5,778
5 waste tires onsite, in violation of the CAO, PRC section 42824, and 14 CCR section
6 18420.

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8 **STIPULATED CONCLUSIONS OF LAW**

9 14. For eleven (11) days between June 10, 2011, and June 21, 2011,
10 RESPONDENT TIRE CORE failed to comply with the CAO, thereby violating PRC
11 section 42845, which requires any person, upon order of CALRECYCLE, to clean-up,
12 abate or otherwise take remedial action at a WTF.

13 15. RESPONDENT TIRE CORE intentionally violated the CAO by knowingly
14 and purposefully storing more than 4,999 tires onsite after entering into the agreement
15 memorialized by the CAO to not store more than 4,999 tires onsite.

16 16. On at least six (6) separate occasions, RESPONDENT TIRE CORE
17 violated PRC section 42824 by storing, stockpiling, or accumulating 5,000 or more
18 waste tires on site without first obtaining a Major WTF Permit. On those same six (6)
19 occasions, RESPONDENT TIRE CORE violated 14 CCR section 18420 by operating a
20 WTF without obtaining a WTF Permit.

21 17. On at least two (2) separate occasions, RESPONDENT TIRE CORE
22 violated PRC section 42834 by storing, stockpiling, or accumulating more than 499, but
23 less than 4,999, waste tires on the site without first obtaining a Minor WTF Permit. On
24 those same two (2) occasions, RESPONDENTS violated 14 CCR section 18420 by
25 operating a WTF without obtaining a WTF Permit.

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STIPULATED ORDER

18. RESPONDENTS and CALRECYCLE stipulate to the following terms and conditions in full and complete settlement of this matter:

(a) Pursuant to the terms and conditions of this Stipulation, and subject to the limitations hereunder, RESPONDENT TIRE CORE stipulates to an administrative penalty against RESPONDENT TIRE CORE and in favor of CALRECYCLE in the sum of twenty two thousand dollars (\$22,000.00) for the violations set forth in this Stipulation. Payment of the penalty shall be satisfied in the following manner:

i) RESPONDENT TIRE CORE shall pay ten thousand dollars (\$10,000.00) to CALRECYCLE in accordance with the following:

1. RESPONDENT TIRE CORE shall pay to CALRECYCLE the sum of twenty five hundred dollars (\$2,500.00) by June 30, 2012.
2. RESPONDENT TIRE CORE shall make quarterly payments to CALRECYCLE of twenty five hundred dollars (\$2,500.00) until the total amount of said payments, together with the initial twenty five hundred dollar (\$2,500.00) payment, totals ten thousand dollars (\$10,000.00).
3. All payments shall be made to CALRECYCLE, Attn: Esther Gallegos, at P. O. Box 4025, Sacramento, CA 95812-4025, or to such other person and/or place as CALRECYCLE or its agent may from time to time designate in writing.
4. If any payment by RESPONDENT TIRE CORE hereunder is not mailed by RESPONDENT TIRE CORE to said addressee by the due date, or a date later issued

1 by CALRECYCLE, and if RESPONDENT TIRE CORE fails
2 to cure the missed payment(s) within twenty (20) days of
3 said missed payment, RESPONDENT TIRE CORE shall be
4 found in partial default of the stipulation.

5 ii) Twelve thousand dollars (\$ 12,000.00 dollars) of this administrative
6 penalty shall be suspended and stayed for a period of three (3) years. The stayed
7 penalty shall be deemed terminated and shall not be paid by RESPONDENT TIRE
8 CORE to CALRECYCLE following the three-year period absent a default as described
9 below.

10 (b) RESPONDENT TIRE CORE shall comply with all waste tire laws set forth
11 in the Public Resources Code section 42800 et seq., waste tire hauler laws set forth in
12 Public Resources Code section 42950 et seq., and attendant regulations in Title 14 of
13 the California Code of Regulations.

14 (c) RESPONDENT TIRE CORE shall not open or operate any other new
15 WTF at any location without first obtaining the appropriate WTF permit from
16 CALRECYCLE.

17 (d) RESPONDENT TIRE CORE shall abide by all terms set forth in WTF
18 Permit Number 1605057; failure to maintain the waste tire count set forth in WTF Permit
19 Number 1605057 shall constitute a full default and the full remaining amount of twelve
20 thousand dollars (\$12,000.00), less any amount already paid to CALRECYCLE, shall
21 become immediately due and payable.

22 (e) At any time during the abeyance period, if CALRECYCLE determines that
23 RESPONDENT TIRE CORE has violated any waste tire laws, waste tire hauler laws, or
24 the terms set forth in WTF Permit number 1605057, CALRECYCLE shall inspect the
25 site at an increased frequency of at least monthly, until RESPONDENT TIRE CORE
26 remedies the new violations and brings the site into compliance. RESPONDENT TIRE
27 CORE shall grant CALRECYCLE inspectors, or any agent designated by
28 CALRECYCLE, access to the site for the purpose of conducting these additional

1 inspections and RESPONDENT TIRE CORE shall reimburse CALRECYCLE for the
2 cost of these additional inspections (including costs for the time spent preparing for the
3 inspection, traveling to the site, and preparing and writing any Inspection Report).
4 Additionally, after compliance has again been regained, CALRECYCLE shall inspect the
5 site twice a year for the remainder of the abeyance period, and RESPONDENT TIRE
6 CORE shall reimburse CALRECYCLE for the costs of these additional inspections
7 (including costs for the time spent preparing for the inspection, traveling to the site, and
8 preparing and writing any Inspection Report).

9 i. Failure to grant access to inspectors or agents designated by
10 CALRECYCLE, or failure to reimburse CALRECYCLE for the costs of an additional
11 inspection within 30 days of an invoice shall be deemed a default of this Stipulation.

12 ii. The cost of the additional inspections shall be billed at the rate
13 approved by CALRECYCLE's accounting and budgets offices for enforcement agent
14 inspections for that fiscal year.

15 (f) Unless otherwise specified in the subsections above, failure to comply
16 with any of the above terms shall constitute a partial default of this Stipulation and the
17 abeyance amount determined by CALRECYCLE shall become immediately due and
18 payable by RESPONDENT TIRE CORE.

19 i. CALRECYCLE shall base any abeyance amount due on the
20 penalty amounts set forth in PRC sections 42850, 42850.1, 42962, and 14 CCR
21 sections 18429 and 18464, taking into account the nature, circumstances, extent and
22 gravity of the partial default.

23 ii. If RESPONDENT TIRE CORE is ordered to pay a partial default
24 fine and fails to do so within 30 days, the failure shall constitute a full default and the
25 remaining abeyance amount of twelve thousand dollars (\$12,000.00), less any amount
26 already paid to CALRECYCLE, shall become immediately due and payable.

27 19. Default: If RESPONDENT TIRE CORE defaults under any of the terms of
28 this Stipulation, CALRECYCLE shall send a Notice of Default to RESPONDENT TIRE

1 CORE; said Notice of Default shall state the paragraphs or provisions of this Stipulation
2 of which RESPONDENT TIRE CORE is in default and the abeyance amount owed.
3 RESPONDENT TIRE CORE shall have fifteen (15) days from the date of the issuance
4 of the Notice of Default to provide evidence refuting CALRECYCLE's claim of default.
5 After a review of the evidence provided by RESPONDENT TIRE CORE, CALRECYCLE
6 shall make a determination regarding the default and, if appropriate, shall issue a
7 Supplemental Decision regarding any remaining penalties due. RESPONDENT TIRE
8 CORE may appeal CALRECYCLE's determination and subsequent Supplemental
9 Decision within thirty (30) days of the issuance of the Supplemental Decision; any such
10 appeal shall be heard by CALRECYCLE's Director, or an agent designated by the
11 Director.

12 20. RESPONDENT CSU LONG BEACH FOUNDATION is hereby released
13 from any and all liability arising out of the violations stated in paragraphs 14 through 17
14 of this Stipulation and based on the specific facts set forth in paragraphs 1 through 13 of
15 this Stipulation. However, nothing prohibits CALRECYCLE or an Administrative Law
16 Judge from holding RESPONDENT CSU LONG BEACH FOUNDATION liable for any
17 future violations of the PRC or its attendant regulations that arise out of facts that occur
18 at any future date at the site.

19 21. No covenant, promise, term, condition, breach or default of or under this
20 Stipulation shall be deemed to have been waived except as expressly so stated in
21 writing by CALRECYCLE. A waiver by CALRECYCLE of any breach or default by
22 RESPONDENTS under this Stipulation shall not be deemed a waiver of any preceding
23 or subsequent breach or default by RESPONDENTS.

24 22. RESPONDENTS have freely and voluntarily entered into this Stipulation
25 and have been afforded the opportunity to consult with counsel prior to entering into this
26 Stipulation. It is expressly understood and agreed that no representations or promises
27 of any kind, other than as contained herein, have been made by any party to induce any
28 other party to enter into this Stipulation, and that said Stipulation may not be altered,

1 amended, modified or otherwise changed except by a writing executed by each of the
2 parties hereto. Each party hereto agrees to execute and deliver any and all documents
3 and to take any and all actions necessary or appropriate to consummate this Stipulation
4 and to carry out its terms and provisions.

5 23. Except as expressly provided herein, RESPONDENTS waive the right in
6 the entitled matter to a hearing, any and all appeals, and any and all rights that may be
7 afforded pursuant to the Public Resources Code, the Administrative Procedure Act, or
8 any other provision of law regarding the express provisions of this Stipulation.


9 24. This Stipulation shall be binding and inure to the benefit of the successors,
10 heirs and assigns of the respective parties hereto.

11 25. This Stipulation and the corresponding Administrative Decision to be
12 issued constitute the entire understanding of the parties concerning the settlement of
13 this proceeding. There are no restrictions, promises, warranties, covenants,
14 undertakings, or representations other than those expressly set forth herein or
15 contained in separate written documents delivered or to be delivered pursuant hereto,
16 and each party expressly acknowledges that it has not relied upon any restrictions,
17 promises, warranties, covenants, undertakings, or representations other than those
18 expressly contained herein.

19 26. For purposes of this Stipulation, facsimile signatures will be treated as
20 originals until the applicable page(s) bearing non-facsimile signatures have been
21 received by CALRECYCLE.

22 27. The effective date of this Stipulation is the date of issuance of the
23 Administrative Decision.

24
25 Dated: 6/22/2012


26 MARK DE BIE
27 Deputy Director
28 DEPARTMENT OF RESOURCES,
RECYCLING AND RECOVERY
(CALRECYCLE)

1
2 Dated: 6-22-12



HEATHER L. HUNT
Staff Counsel III
DEPARTMENT OF RESOURCES,
RECYCLING AND RECOVERY
(CALRECYCLE)

6
7 Dated: _____

GARRY DRISDELLE
Chief Executive Officer
TIRE CORE INTERNATIONAL LTD.,
OPERATOR

10
11 Dated: _____

BRIAN NOWLIN
Chief Operating Officer
CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION,
PROPERTY OWNER

1
2 Dated: _____

3 _____
4 HEATHER L. HUNT
5 Staff Counsel III
6 DEPARTMENT OF RESOURCES,
7 RECYCLING AND RECOVERY
8 (CALRECYCLE)

9
10 Dated: 6/14/2012

11 _____
12 GARRY DRISDELLE
13 Chief Executive Officer
14 TIRE CORE INTERNATIONAL LTD.,
15 OPERATOR

16
17 Dated: _____

18 _____
19 BRIAN NOWLIN
20 Chief Operating Officer
21 CALIFORNIA STATE UNIVERSITY,
22 LONG BEACH FOUNDATION,
23 PROPERTY OWNER
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2 Dated: _____

3 HEATHER L. HUNT
4 Staff Counsel III
5 DEPARTMENT OF RESOURCES,
6 RECYCLING AND RECOVERY
7 (CALRECYCLE)

8
9 Dated: _____

10 GARRY DRISDELLE
11 Chief Executive Officer
12 TIRE CORE INTERNATIONAL LTD.,
13 OPERATOR

14 Dated: 06-04-12

15 
16 BRIAN NOWLIN
17 Chief Operating Officer
18 CALIFORNIA STATE UNIVERSITY,
19 LONG BEACH FOUNDATION,
20 PROPERTY OWNER